

March 2004

Know Your Benefits

Department of Transportation
Human Resources
benefits.dot.gov

Did you know . . .

When you have a life-situation change, you may need to take action with regard to your retirement and insurance benefits? This newsletter summarizes some of the common actions you should consider when you experience a change in your life.

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## LIFE EVENTS AND YOUR RETIREMENT AND INSURANCE BENEFITS

Throughout this document, the following abbreviations will be used:

Civil Service Retirement System (CSRS)  
Federal Employees Retirements System (FERS)  
Federal Employees Health Benefits (FEHB)  
Federal Employees Group Life Insurance (FEGLI)  
Human Resources (HR)

### **YOU MOVE**

**Address** – You need to give your agency your new address.

**FEHB** – If you are enrolled in a health benefits plan that serves a limited geographic area, contact your current plan to find out if you can remain with that particular plan. If you cannot remain with your current plan, contact your HR office and complete the appropriate form to change your health plan.

**Income Tax** – You may need to complete new forms for income tax.

### **YOU CHANGE WHERE YOUR ELECTRONIC PAYMENT GOES**

**Direct Deposit** – You can easily change your direct deposit information through Employee Express. You should leave the old account open until you know your payments are going into your new account.

### **YOU MARRY**

**Name Change** – If you want your name to be changed in the agency's official records, you will need to ask your HR office to prepare the personnel action to do this.

**FEHB** – If you want to change to a family health benefits enrollment, contact your HR office any time from 31 days before your marriage to 60 days afterward. Otherwise, you will have to wait until the next open season to make the change. If you already have a family plan, you should contact your health benefits carrier to add your spouse (and stepchildren, if appropriate) to your enrollment.

**FEGLI** – You may want to add Option C - Family and/or Option B - Additional to your life insurance coverage. A new election must be made within 60 days of your marriage.

**Income Tax** – You may want to change your income tax withholdings.

**Beneficiaries** – You may want to change your designations of beneficiary.

## **YOU DIVORCE**

**Divorce decree** – The divorce decree (court order) may say that you must provide a part of your future annuity, and/or a survivor annuity for your former spouse. An original certified copy of the entire court order and all attachments must be mailed to the U.S. Office of Personnel Management (OPM), along with a cover letter that states who the Federal employee is and provides his or her Social Security Number and date of birth. A former spouse (personally or through a representative) must apply in writing to be eligible for a court-awarded portion of an employee annuity. No special form is required. Send an original certified copy of the divorce decree to OPM, PO Box 17, Washington, DC 20044-0017.

**FEHB** – When you divorce, your spouse is no longer a family member and cannot be covered under your family health benefits enrollment. Your children can continue to be covered. If there are no children, you should change to a self-only enrollment. If you lost health benefits coverage as a result of the divorce, you can enroll for health benefits within 60 days.

**FEHB coverage for your former spouse** – Your former spouse may qualify for temporary continuation of FEHB coverage for up to 36 months. If this temporary coverage is needed, you or your former spouse must apply through your agency within 60 days after the divorce. Also, if your spouse is entitled to a portion of your annuity or to a survivor annuity, they may be eligible for continued FEHB coverage under the Spouse Equity Act. See your HR office for more details.

**Beneficiaries** – You may want to change your designations of beneficiary for life insurance or for retirement. A divorce does not automatically affect any designations you made at an earlier date. If you previously designated the person who is now your ex-spouse and you now want payments to go to someone else, you need to file new designations. NOTE: A court order may require you to assign your life insurance to your ex-spouse. (See the pamphlet on "Court-ordered Benefits for Former Spouses" on [www.opm.gov/asd/htm/PUB.htm](http://www.opm.gov/asd/htm/PUB.htm).)

**Income Tax** – You may want to change your income tax withholdings.

**YOU ACQUIRE A NEW CHILD** (Through *birth* or *adoption*. Also includes a *step-child* or *foster child* if the child lives with you in a parent-child relationship and is your dependent.)

**FEHB** – If you do not already have a family health benefits enrollment, contact your HR office to change your enrollment to a family plan. This change must occur within 60 days after the baby is born, or the child is added to your family.

**FEGLI** – You may want to add Option C - Family and/or Option B - Additional to your life insurance. This election must be made within 60 days after the baby is born, or the child is added to your family.

NOTE: If you are already enrolled in Option C - Family, your new family member will be covered automatically.

**Beneficiaries** – You may want to change your designations of beneficiary.

## **YOUR CHILD REACHES AGE 22**

**FEHB** – Your family health benefits coverage does not include children who are over age 22 (unless the child is disabled before turning age 22). However, temporary continuation of coverage may be available for up to 36 months. If this coverage is desired, you must contact your HR office within 60 days after the child reaches age 22.

**FEGLI** – Option C coverage does not include children over age 22. If there are no other family members eligible for this coverage, you may want to cancel your Option C - Family coverage. This can be done at anytime; but it is not automatic.

## **YOU REACH AGE 65**

**MEDICARE Part A** – You may be eligible for health benefits coverage under Medicare. Generally, employees age 65 and older can get Medicare Part A benefits based on their own or their spouse's employment. There is no premium for Medicare Part A; however, you must pay a premium for Medicare Part B.

**MEDICARE Part B** – If you are currently enrolled in a Federal health plan as an employee when you are first able to get Medicare, you may be able to delay enrollment in Part B without waiting for a general enrollment period to enroll. For more information, contact your local Social Security Office or call Social Security (1-800-772-1213) or visit their web site at [www.ssa.gov](http://www.ssa.gov).

## **YOUR SPOUSE DIES**

**FEGLI claim** – If your spouse is covered by Option C - Family life insurance, contact your HR office for a life insurance claim form.

**FEGLI Option C** – If there are no other family members eligible for this coverage, you may want to cancel your Option C - Family coverage. This can be done at anytime; but it is not automatic.

**FEHB** – If there are no other family members, you should change your health benefits to a self-only enrollment. You can do this at any time.

**Income Tax** – You may want to change your income tax withholdings.

**Beneficiaries** – You may want to change your designations of beneficiary.

## **YOUR FORMER SPOUSE DIES OR MARRIES BEFORE AGE 55**

**Court Order** – If your former spouse filed a court order with OPM, you will need to update your records. For example, if you were required to provide a survivor annuity for your former spouse and your former spouse either dies or marries, OPM would need proof of the death or marriage. Send your proof to OPM, Box 45, Boyers, PA 16017-0045, along with a letter that provides your date of birth and social security number.

**Beneficiaries** – You may want to change your designations of beneficiary.

## **YOUR CHILD DIES**

**FEGLI claim** – If your child is covered by Option C - Family life insurance, contact your HR office for life insurance claim forms.

**FEGLI and FEHB** – If there are no other family members, you should cancel FEGLI Option C - Family and change your health benefits to a self-only enrollment.

**Income Tax** – You may want to change your income tax withholdings.

**Beneficiaries** – You may want to change your designations of beneficiary.

## **YOU WANT TO CHANGE YOUR DESIGNATIONS OF BENEFICIARY**

It is not necessary to change your designations when a beneficiary moves. However, if someone you have designated should predecease you or you change your mind about your designations, contact your HR office for new forms. To be valid, new beneficiary designation forms must be completed and received by the appropriate office BEFORE your death. Please read the directions on each form carefully to determine the correct place to send the form. For more information, see the January 2004 issue of "Know Your Benefits".

## **YOU BECOME DISABLED**

**Disability Retirement** – You may be entitled to a disability annuity under CSRS or FERS if:

- You must have completed at least 5 years of federal civilian service for CSRS, or 18 months for FERS;
- You must have become disabled for "useful and efficient service" in both your current position and any other vacant position at the same grade or pay level for which you are qualified, while employed in a position covered under the CSRS or FERS; and
- Your disabling condition must be expected to last at least 1 year.

If you think you need to apply for this benefit, contact your HR office.

## **YOU ARE TERMINALLY ILL**

**Alternative Form of Annuity** – Check with your HR office to determine if you qualify for an immediate annuity, other than for disability. If so, you may be eligible to elect the Alternative Form of Annuity, which provides a lump-sum payment of the money to your credit in the retirement system and a reduced monthly annuity.

**Living Benefits** – You may be eligible to elect FEGLI "Living Benefits".

**Assignment** – You may wish to consider assignment of your FEGLI policy.

**Separation vs. Retirement** – You should carefully consider the consequences of separating or retiring from Federal employment:

- If you meet the criteria to continue your FEGLI enrollment as a retiree, your enrollment will be continued unless you choose to convert all or part of your coverage to an individual policy.
- If you leave Federal service (and are not retiring) your FEGLI enrollment automatically terminates. You may wish to convert all or part of your coverage to an individual policy.

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- If you retire without being eligible to continue some or all of your FEGLI coverage as an annuitant, the coverage that you are not eligible to continue automatically terminates. You may wish to convert all or part of your coverage to an individual policy.
- The Alternative Form of Annuity is only payable if you retire from Federal service.
- For FERS employees, the Basic Employee Death Benefit is payable only in the event that you die as an employee, not as a retiree.

## **YOU ARE INJURED ON THE JOB**

You may be entitled to benefits from the Office of Workers' Compensation Program (OWCP):

- If the disabling condition is expected to last at least 1 year and you are being separated, you may want to apply for disability retirement to protect your benefits.
- If you are covered by Federal life insurance and you were to lose a limb or your eyesight, in one or both eyes, you may be eligible for Accidental Dismemberment benefits.

## **YOU DIE**

- Your family should contact your agency immediately. When your agency hears of your death from your family, designated beneficiary, or other representative, they will be able to supply any forms your survivors need and will give them full instructions about how to proceed.
- If you have a family health benefits enrollment and any of your survivors are eligible for a monthly survivor annuity from OPM, the family coverage can be continued after your death. If only one survivor is eligible for health benefits coverage, OPM will change the enrollment from family to self-only. If you have self-only coverage at death, your survivors cannot be enrolled for health benefits coverage based on your Federal employment.

If you have any questions, please contact your HR Office.